

# Negotiation conflict styles

[Life](#), [Emotions](#)



## Executive Summary

Negotiation is a fundamental part of the day-to-day activities in the business to business environment. Yet, there are often profound weaknesses which emerge in the negotiation strategies, which results in one or other party failing to achieve the best possible result for their ongoing business. By identifying the weaknesses in the competitive model and requirements for achieving a successful collaborative strategy, it can be seen that a fundamental shift of personality and attitude is necessary from the parties, something which may act as a barrier, particularly for those who have been traditionally utilising the competitive model, for many years.

## Introduction, Aims and Objectives

Negotiation styles play an important role in the day-to-day operations of all organisations, both from the point of view of internal communication and also when it comes to the relationships with other third parties, such as suppliers and customers. Broadly speaking, negotiation refers to the situation where there is a dialogue between two or more entities aimed at reaching a specific outcome or resolving a particular issue (Baron, 1998). The negotiation process is undertaken by the parties, in order to achieve the appropriate results and fulfil each party's own needs. For example, in the commercial environment, negotiations may be entered into between supplier and the core business, in order to look at the volume of items which can be provided, the price and the delivery schedule, so that both the supplier of raw materials and the central company are comfortable with the situation and are prepared to enter into an agreement to supply.

The proposition here argues that negotiation has traditionally looked towards a competitive model. This means that, on many occasions, the option of collaboration is seen as to the detriment of the end result of the negotiations. In order to consider the statement made here, the statement will be broken down into four distinct parts, each of which should be looked at, in turn, before drawing conclusions as to whether or not it is an accurate statement that collaborative strategies are, indeed, underutilised as a result of a lack of understanding of how collaboration can work to advantage of all concerned. This will involve looking at the traditional competitive model and the lack of understanding that surrounds the collaborative model, before discussing the key elements of a successful collaboration and any obstacles that may occur when using a collaborative strategy.

Negotiation has traditionally been based upon the competitive model

The traditional competitive model for negotiation is based on the idea that any given situation can be seen to be similar to a Zero Sum Game and that, in order for one individual to win, another must necessarily lose. In its most basic form, an example is where there are ten apples available to the parties; a competitive model would encourage the parties to negotiate in a competitive manner, accepting that for one party to gain an extra apple, the other party would need to lose one of theirs (Beasor, 2006).

When looking at competitive negotiation, it is the substance of the actual items being traded that is the primary concern of the parties, with negotiations typically being undertaken in quite an aggressive manner and with each individual looking at what they can gain during the process. In

many cases of competitive negotiations, price is fundamental. Furthermore, when considering this amongst supplier relationships, a competitive model situation would be seen to arise, where suppliers look to maintain a price and the purchaser looks to reduce this price for their own benefit. Whilst accepting that this means that the supplier will be involved on a regular basis, it can be seen that this type of situation is more likely to be utilised successfully where the relationship between the two parties is relatively unimportant, or is a one-off transaction when neither party is looking towards engendering good will for the future. Where one party shows a weakness, the other will immediately take advantage of this; for example, if the purchaser becomes aware that the supplier has cash flow issues, they will be more inclined to use this as a weakness that can then be exploited to their own advantage.

This type of competitive negotiation is based on the underlying strategy that focuses on a hard exchange between the individuals and encourages the actual exchange to be relatively clear. However, this is not say that there will not be an element of double dealing which may emerge where one of the parties believes that they can achieve a result that is better for themselves, in order to improve their own negotiation position. Fundamentally, however, the competitive negotiation approach is about getting what the individual wants, with little or no regard for the position of the other party.

Competitive negotiation is, therefore, viewed as a means of achieving what the individual parties attempt to achieve and does not consider the ways in which the other parties may benefit from the negotiation. This focuses

exclusively on getting the best possible deal for that individual party and, in order to do so, it is necessary that the weaker party or the other party loses (Lewicki, et al., 2003).

Most people do not understand the finer points of collaboration

By focusing on competitive negotiation, it is argued in this paper that this will result in a lack of understanding of the possibility that both parties could benefit, potentially, from the negotiation position.

When looking more at the collaboration approach, the relationship between the two parties is seen as being the central element, rather than the price, as is seen in the competitive negotiation approach. When adopting a competitive approach, it is assumed that there are a fixed number of items involved that can be negotiated over and where one party takes the next item the other party loses that item. Yet, within the collaborative approach, there is a recognition that it is possible to enlarge the items available to include other items that are of value to both parties and to negotiate a position where both parties may potentially be better off when leaving the negotiation table (Perdue et al., 1986).

There are several underlying concepts which are relevant when it comes to understanding how collaboration may work and identifying why there may be a general lack of understanding on the finer points of collaboration, which may limit the use of this approach by those operating within a business environment. The collaborative approach places a great focus on the concept of fairness and achieving satisfaction from an emotional point of view. In

reality, a relationship between a commercial supplier and a customer in a business to business transaction will not be a one off situation. Even if that precise relationship of selling an item is a one-off situation, the reputation which the parties maintain as a result of this negotiation may have an impact on future transactions; therefore, creating a less competitive environment and encouraging collaboration can achieve great results for both parties, overall. Whilst this is accepted as an important aspect of negotiation here, it is also argued that there is a lack of understanding by the individual parties as to how they are going to achieve this type of win-win situation. To a large extent, this can be achieved when looking at the negotiation as a joint problem-solving exercise and recognising that the overall situation can be looked at, in order to identify how each party can benefit, in some way (Lewicki, et al., 2000).

A collaborative strategy does not amount to weakness, which can be a difficult concept to understand for those who inherently use the competitive strategy. Essentially, it could be seen as a means of opening up negotiations to include items that may not be immediately apparent. Taking the situation described above, whereby two individuals are negotiating over the ten available apples, greater discussions may indicate that one of the parties would, in fact, prefer to have oranges. Therefore, if the other party has a large stock of oranges, it may be possible to negotiate an exchange of apples for oranges and both parties will ultimately be happier (Cox, 1996).

In order to achieve a collaborative approach, it is necessary for complete transparency and trust between the parties and this again reflects the way in

which the relationship between the parties is an ongoing relationship which is valued by both parties, to such an extent that they will consider the opinion and desires of the other party. This does, however, clearly involve a much greater element of communication between the parties and a wider recognition of the needs and desires of other parties involved. This makes it a potentially difficult strategy to follow, typically where there are multiple entities with a variety of different complex needs, or where one individual is maintaining a competitive strategy and is taking advantage of those looking to achieve collaboration.

Critically evaluate the key elements of successful collaboration in negotiation

There are several key elements that are seen to be linked to successful collaboration during the negotiation process. A strong framework is that of the mnemonic 'POSER' which refers to the activities that an individual needs follow when looking at achieving a collaborative negotiation strategy (Porter, 1985). Firstly, it is necessary to prepare in order to understand the types of outcome that are desirable from the negotiation and also to undertake the research into the other parties to the negotiation. This means that when turning the situation into a joint problem-solving exercise and encouraging transparency, all individuals need to be fully briefed on the overall vision, not only of their own needs and goals, but also of the needs and goals of all those involved. By having a strong understanding of what the other party is hoping to achieve, it is possible for the other commercial entity to identify how they may potentially improve the situation being experienced by the other party. Using the basic example mentioned earlier, in the paper,

it is up to both parties to understand that oranges may potentially offer a solution to the negotiation over how ten apples should be divided; however, without background research in preparation for the negotiations, one party would have no knowledge of the fact that the other party would actually place a greater value on the oranges which they perceive to be simply useless excess.

Secondly, being open and transparent is a further key element of achieving a powerful position for collaboration, and this is not only a case of being open in relation to the information that is held by each party, but also about being open-minded as a potential solution which could be put forward by the other party (Ertel, 1999).

The willingness and ability to share this information with the other party and to view the situation as a joint problem-solving exercise is the third element of a successful collaboration, and where one party views the other as being the underdog during collaboration and maintains a competitive approach, there can be a failure in the collaborative negotiation approach being taken. Crucially, the negotiation process focuses on a period of exchange where assets are understood and the exchange between the parties discussed. This is another aspect of collaborative negotiation which does not necessarily emerge during competitive negotiation. In competitive negotiation price is the crucial factor yet when looking at collaborative negotiation this may be broadened out. For example, where negotiations are taking place between suppliers and customers in a business to business environment, it may be the case that the customer chooses a more expensive supplier, as there is a



guarantee of a better delivery schedule or better quality product. Entering into this type of exchange over the various elements of the negotiation which are valued by both of the parties is central to the collaborative approach; yet, without having the information available, collaboration simply cannot happen. Finally, the result of a collaborative approach needs to be recorded and documented, in order to ensure that the collaborative outcome which has been agreed is carried out, in practice, as failure to do so could result in a breakdown of trust between the parties and make it difficult to build up this trust, over several different periods of negotiation (Rubin & Joseph 1990).

Possible obstacles to a Collaborative negotiation strategy in the context of the supply relationship

When looking, specifically at how successful collaboration can be achieved, several key obstacles have been identified that could affect the collaborative strategy and which could result in the parties failing to achieve the overall best results for all involved.

One particularly obvious obstacle which may emerge is the fear that the other party is using the competitive approach. This may result in an individual who is attempting to show collaboration being viewed as weak and being taken advantage of, to such an extent that they will refuse to enter into a collaborative strategy, in the future. This is further exacerbated when it comes to a situation whereby the parties believe that there is only one possible solution to the problem being put forward. Furthermore, collaborative strategy negotiation involves obtaining all the relevant

information and having an open and transparent discussion. This can be jeopardised by any failure to be open and transparent, whether it be deliberate or not, as well as a lack of understanding from either party, in terms of what may be relevant to the discussion. Deliberate misuse of information and authority could take place more readily when one party is perceived to be stronger than the other. For example, when considering a business to business supplier arrangement where the supplier is the only supplier of a particular product which is required by the customer, this is likely to reduce the chances of a successful collaborative negotiation, as the supplier is in a considerably more powerful position than its counterparts.

Any failure to view the negotiation process as an ongoing opportunity to build trust between the two parties can also reduce the chances of the collaborative strategy delivering a successful outcome. Moreover, where it is known by one or other party that there is unlikely to be any future interaction between the parties, the chances of achieving collaboration again become much reduced, as neither party places a great value on the ongoing relationship. It is reasonably apparent when looking at the distinctions between the competitive and collaborative approach that using a collaborative negotiation strategy requires a much broader range of considerations and a much softer style from the individuals involved. Where managers or those in charge of negotiation and purchasing have historically taken a more competitive approach, it can be very difficult to adapt and to look at the broader issues, in order to fundamentally change the way in which the negotiation process is viewed (Saner, 2000).

## Recommendations and Conclusions

In order for entities to look more towards the collaborative negotiation approach which will be seen as a means of achieving more rounded and stronger results for all parties involved, there are several activities which need to take place; however, it can be difficult for the parties to adapt their style fully, particularly where there are fears that the other party is not moving towards a collaboration strategy, at the same rate. Where one party maintains a competitive approach, but the other is seeking collaboration, there is a real danger that the collaborative party will be viewed as weak and will ultimately lose out, thus creating a general reluctance by the parties to move towards collaboration, particularly in highly competitive industries.

Communication is entirely different where collaboration is concerned, as it involves a much more open and transparent approach of sharing information and considering the perspective of the other party, something which is at odds with the traditional competitive approach, making it hard for those individuals who are rooted in the competitive approach to adapt. Additional training is, therefore, required for these managers and in particular those responsible for purchasing within a business environment, to improve their communication and analysis skills, as these will be fundamental to the success of the ongoing collaboration strategy.

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